C8920-2

MANAGEMENT
Teamwork and motivation strategies

- Turner music net to 'go'; MTV fights back with pacts
- USCI, STC hammer out details of proposed merger
- NABU gets competition from former FNN chief
- Dean Waite to exit CTAM at year-end

CableVision™

The news and features weekly of the cable television industry

September 10, 1984

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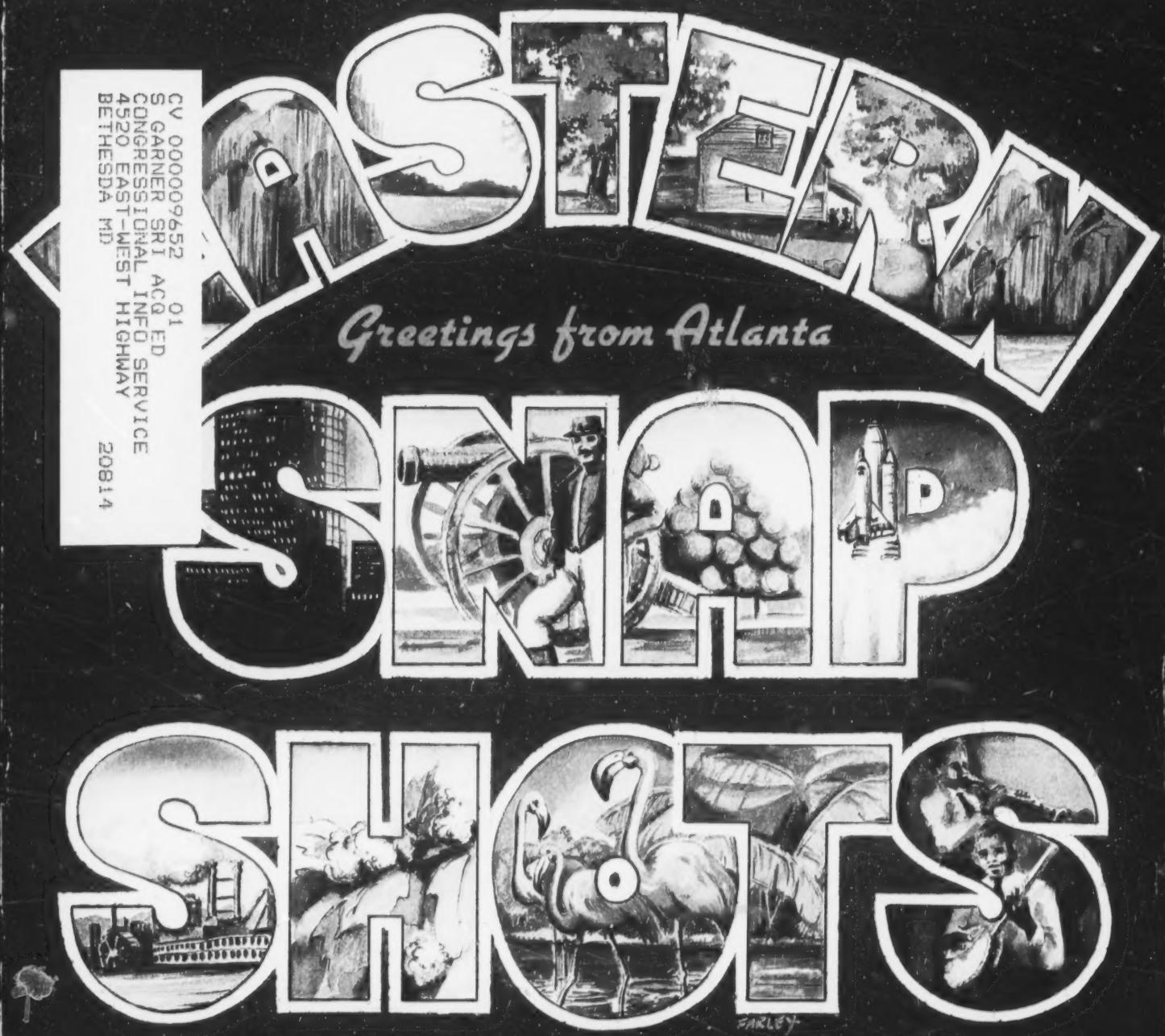


Leading the week.....13-20

Turner turns on music

Turner Broadcasting made it official last week, with its announcement that TBS would go ahead with its new music video service, due for an October launch. At the same time, MTV fought back with carriage contracts from the top two MSOs.

Cox cancels videotex

Cox Cable shelves its ambitious videotex plans by withdrawing from an interactive services project it began with New York's Chase Manhattan Bank nearly a year ago.

STC, USCI merge

Comsat and United Satellite Communications Inc. officials last week worked on the finishing touches for a proposal that would merge two fledgling direct-to-home television companies, Satellite Television Corp. and USCI. Officials said the deal, valued at $150 million, would make Comsat owner of roughly three-quarters of the new venture.

Waite fcr new job

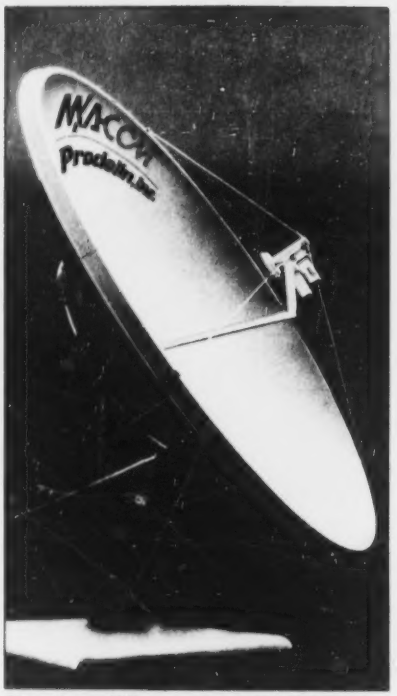
Dean Waite, Cable Television Administration and Marketing Society executive director, will not renew his contract with the trade organization when it expires in December. Waite said he never intended to make association work his career.

Confab kicks off

Several programming services, including Financial News Network and Black Entertainment Television, will be missing from the Eastern Show's exhibit floor when the annual convention begins Sept. 6 in Atlanta.

Wirth lambasts cablers

A Colorado mountain resort provided a stage for cable's favorite legislator, Tim Wirth, to take a swipe at industry tycoons for sabotaging H.R. 4103, while Denver's Bill Bradley—on the side of the cities—made a convincing plea for peace.



Showtime affiliates will use M/A-COM earth stations.

HBO scrambles

The long-awaited signal scrambling of Home Box Office and sister pay service, Cinemax, will start next March, after the Time Inc. division distributes some 10,000 descramblers to its affiliates. Showtime/The Movie Channel has an affiliate offer of its own under way featuring earth stations at a discount for systems without access to Galaxy I.

Taylor goes for data

Former FNN chief Glen Taylor believes that his new basic cable computer information channel will interest operators because of an added attraction: a downloaded pay TV data channel compatible with most home computers.

DBS needs target

Dominion Video President Robert Johnson sees specialized target markets such as Christian viewers as the key to success in the emerging direct broadcast satellite field. Johnson plans to launch his DBS service in 1987.

Sections

Programming 31
Associated Press and a Tribune Co. subsidiary will debut a new text-and-graphics information channel at the Eastern Show this week.

Marketing/Advertising 36
An enterprising professional karate promoter will take a championship contest to a network of 12 Denver-area cable systems covering 240,000 homes. Also, Prism, the Philadelphia-based regional movie and sports pay service, will launch its first national flight of trade advertising this week.

Business & Finance 61
A task force appointed by the city of Santa Monica has recommended vast changes in the community's cable television system, changes that directly challenge the way many operators run their businesses.

Management 71
The meaning of teamwork and the art of motivating employees were among the topics addressed in Jacqueline Walker's speech to cable operators in Colorado.

New Ventures.....74
Gateway, a telephone-based videotex service, goes into commercial operation in Orange County, Calif., this month. The Times Mirror service will become the second consumer videotex service to be launched commercially in the U.S.

Government & Law 82
Is the Playboy Channel "indecent"? That's the question that the voters of one California town will decide at the polls this November.

About the cover

Artist Malcolm Farley's illustration sends greetings from the Eastern Show.

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terprises and The Washington Post Co., partners in Sports Channel New York and New England. The service is marketed and distributed by Rainbow Programming Services.

—Cecilia Capuzzi

Viewing of cable up, rivals broadcast totals

CAB also reports that cable viewing fluctuates less than broadcast

NEW YORK—Viewing of cable origination programming was up 34.6 percent in July over the same time last year in all cable households, while viewing of all cable programming options in pay television households—cable originated, superstations, and pay services—received a 47 share in total weekly minutes viewed. This number is two share points higher than broadcast affiliates' 45 share and represents the first time viewing of cable in pay TV households beat out viewing of affiliates, according to Richard Zackon, Cabletelevision Advertising Bureau vice president of research.

The information, based on A.C. Nielsen Co. measurements and prepared by CAB, represents a continuing trend in increased viewing of cable, Zackon said. "We haven't lost our momentum in growth," he commented.

Zackon said the July results also indicate cable, unlike broadcast television, does not undergo seasonal changes in audience viewing habits. "With broadcast, there are very real drops in (the) spring and summer," Zackon said. "You don't see that in cable." Viewing of cable is "relatively stable" throughout the year, Zackon said. That "predictability" is an opportunity for advertisers, in that they are able to count on consistent audience size, he added.

One downside to the July results, Zackon said, is a further decline in subscription to pay services. According to Nielsen's national sample, 56 percent of cable households subscribe to pay services as of July 1984, down from 59 percent in July 1983.

—Cecilia Capuzzi

Total Weekly Minutes Viewed per Household (24 hours)

	July 1984		July 1983		Difference (Minutes)	% Change
	Minutes	Share	Minutes	Share		
In all cable TV HH*						
Cable Origination	436	15	324	11	+ 112	+ 34.6
Superstations	298	10	248	9	+ 50	+ 20.2
Pay Service	407	14	400	14	+ 7	+ 1.8
Affiliates	1528	51	1549	54	− 21	− 1.4
Independents	397	13	433	15	− 36	− 8.3
Public	79	3	91	3	− 12	− 13.2
Total Usage	2978		2881		+ 97	+ 3.4

Source: A.C. Nielsen

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If you want your advertising message to have visibility where it counts, contact your *CableVision* account executive today.

CableVision
The First and Last Word in Cable

*Source-Opinion Research Corporation. "Readership and Evaluation of CableVision and Other Cable Industry Publications." August, 1983.

Cable services subscriber count

Satellite-fed national service

Basic service	Affiliates	Subscribers	% change in subs from 6/30	
American Christian Television Systems (ACTS)	100	1,369,471	NA	
Arts & Entertainment	1,500	10,500,000	NC	
Black Entertainment Television (BET)	340	7,000,000	NA	
Cable News Network (CNN)	6,247	27,654,000	NC	
CNN Headline News	1,780	12,570,000	NC	
C-SPAN	1,500	18,000,000	NC	
CBN Cable Network	4,619	24,300,000	NC	
Country Music Television	225	4,600,000	NA	
Entertainment & Sports Programming Network (ESPN)	8,438	32,700,000	NA	
Eternal Word Television Network (EWTN)	165	2,410,000	NC	
Financial News Network (FNN)	1,000	17,000,000	NC	
The Learning Channel	530	4,762,840	NA	
Lifetime	1,992	20,425,569	NA	
Modern Satellite Network (MSN)	550	9,913,290	− 8	
Music Television (MTV)	2,470	21,800,000	NA	6/84
The Nashville Network	2,000	16,800,000	NA	
National Christian Network (NCN)	95	1,200,000	NC	
National Jewish Television (NJTV)	196	4,050,500	NA	5/84
Nickelodeon	3,250	21,100,000	NA	5/84
Prime of Life	NA	5,000,000	NA	5/84
PTL Satellite Network	1,034	10,100,000	NC	
Santa Fe Communications	26	524,723	NA	
Satellite Program Network (SPN)	509	11,664,183	NA	
Silent Network	240	6,800,000	NA	
SIN Television Network*	276	28,338,300	NC	
Trinity Broadcast Network	370	4,486,000	+ 3.2	
USA Network	4,000	25,000,000	NA	
The Weather Channel	1,260	12,800,000	NA	
WGN-TV	5,741	14,211,515	+ 1.7	
WOR-TV	1,066	4,800,018	NA	
WPIX-TV	152	885,000	NC	
WTBS-TV	7,798	31,600,000	NC	
Pay Service				
Bravo	156	246,000	+ 4.4	
Cinemax	2,100	2,700,000	NC	
The Disney Channel	1,712	1,132,389	NA	
GalaVision	200	130,000	NC	
The Hi Life Channel	NA	NA	NA	
Home Box Office (HBO)	5,400	13,500,000	NC	
Home Theater Network (HTN)	400	275,000	NA	6/84
The Movie Channel	2,750	3,200,000	NA	6/84
The Playboy Channel	457	720,000	NA	6/84
The Pleasure Channel	6	12,000	NA	
Showtime	3,000	5,400,000	NA	6/84
Audio services				
Cable Jazz Network	3	15,120	− 161.00	
Lifestyle	104	3,239,773	NA	
Love Sounds	4	10,730	− 2.5	
Moody Bible Institute	34	535,879	NC	
Nice and Easy	13	111,250	+ 53.0	
Satellite Jazz Network	13	850,000	NC	
Satellite Radio Network	50	403,000	NC	
SCAN	34	173,000	NC	
Star Ship Stereo	NA	NA	NA	
WFMT, Chicago	154	989,029	+ 9	
Text service				
AP News Cable	400	4,700,000	NC	
Dow Jones Cable News	175	2,240,000	+ 7.0	
Electronic Program Guide (EPG)	165	3,276,189	+ 3.1	
Genesis Storytime	13	159,000	− 57.2	
Reuters News View	350	4,100,000	NA	
UPI Data Cable	450	NA	NA	

Non-satellite-fed national service

Bicycled service				
Fuji Network	7	3,833	+ 2.6	
Nippon Golden Network	5	8,105	NA	6/30
The Pleasure Channel	8	4,000	NA	
Vector Consumer News	12	300,000	NC	
Vector Consumer Shopping Guide	16	490,000	NC	

Regional entertainment service

Regional services	Affiliates	Subscribers	% change in subs from 6/30	
Atlanta Interfaith	7	130,000	+ 1.5	
Bay Area Religious Channel (BARC)	5	107,100	NC	
Buffalo Sabres Hockey	13	450,000	NA	
The Ecumenical Channel	5	92,000	NA	
Home Sports Entertainment—Houston/Dallas	57	48,000	NA	
Home Team Sports	15	20,000	NC	
KTVT	NA	NA	NA	
Life Newsvision	24	35,000	NA	5/84
Madison Square Garden	52	1,700,000	+ 1.5	
Meadows Racing Network	19	275,000	NA	
MetroChannel	1	112,000	+ 8	
New England Sports	NA	NA	NA	
Newsday Cable	1	232,000	NC	
PRISM-Philadelphia	89	369,500	− 1	
Pro-Am Sports	35	25,000	+ 20.3	
The Superchannel	13	22,000	NA	4/84
SportsChannel (New England)	47	55,000	NA	6/84
SportsChannel (New York)	39	370,000	NA	6/84
Sports Time	112	42,000	NC	
SportsVision	20	45,000	+ 8.8	
Sportsvue Cable Network	25	18,500	NC	
Texas Cable Network	12	730,000	+ 1.9	
Video Music Channel	30	300,000	NA	
Z-Channel	23	96,730	NA	

Announced services

Non-satellite-fed services	Expected Launch
The Games Network	Fall 1984
Regional service	
Box Seat	TBA
Satellite-fed service	
Almi Group Network	1st quarter 1985
The Aloha Network	TBA
American Movie Classics	10/84
AP News Plus	12/84
Apollo Entertainment Television	4th quarter 1984
The BuenaVision Channel	TBA
The Cableshop	1/85
Cabletix	TBA
Comedy Entertainment Network	TBA
Computer Satellite Network	1/85
Discovery Music Network	1/85
Kidvid Network	11/84
MTV Network Second Service	1/85
Magicable	1/85
Movie Time	1/85
NABU	2nd quarter 1985
The Nostalgia Channel	TBA
Pacific Cable	9/84
Professional Education Network	9/84
Satellite Concert Network	TBA
Star Video Music	11/84
Studioline	TBA
The Work Channel	TBA

Note: Subscriber and affiliate counts are as of 7/31/84 unless otherwise indicated
NA denotes not available
NC denotes no change
TBA denotes to be announced
* Total SIN reach: Spanish-speaking households: 3,490,300

Source: Subscriber and affiliate counts are provided by the program service for Titsch Communications Inc.

National cable advertising

This chart lists national advertisers on the basic cable network during August 1984.

BET
Amtrax (R)
Anheuser-Busch (R)
AT&T (N)
Avon (R)
Carson Products (R)
CBS Records (N)
Coca-Cola (R)
Eastman Kodak (R)
Ford Division (R)
Home Box Office (R)
IBM (N)
J.C. Penney Co. (R)
Johnson & Johnson (R)
Kraft (R)
McDonald's (N)
Mobil Oil (R)
Nike (R)
Pepsi-Cola (R)
Procter & Gamble (R)
Pro-Line (R)
Quaker Oats (R)
Sears (R)
Showtime/TMC (N)
Thompson Medical (R)
U.S. Marines (R)
U.S. Postal Service (R)
U.S. Treasury Dept. (R)
Warner Bros. Inc. (R)
Westinghouse (N)
Wrigley's (R)

C-SPAN
AT&T (R)
DuPont (N)
General Motors (N)
IBM (R)
Merrill Lynch (R)

Dow Jones Cable News
Barron's (R)
Charles Schwab & Co. (R)
Wall Street Journal (R)

FNN
American Airlines (R)
Avis (R)
Buick (R)
Chicago Board of Trade (N)
Chrysler (R)
Ford Corp. (R)
GMAC (N)
Hyatt Hotel (R)
Kansas City Board of Trade (R)
Merrill Lynch (R)
Micro Age (R)
Ramada Inn (R)
Shearson Lehman/ American Express (R)

MSN
Anheuser-Busch (R)
Archway Cookies Inc. (R)
Ciba Pharmaceutical (R)
CONOCO, Inc. (R)
E.I. DuPont DeNemours & Co. (R)
General Mills (R)
General Foods (R)
Hershey Foods (R)
Mattel Inc. (R)
Mercedes Benz of North America (R)
Midcon Corp. (R)
NASA (R)
Park Row Publishers (R)
Phillip Morris Inc. (R)
Upjohn Inc. (R)
U.S. Army Corp. of Engineering (R)
U.S. Dept. of Transportation (R)
U.S. Olympic Committee (R)
Wrangler (R)

National Jewish Television*
Bank Hapoalim (R)
Coleco (R)
Crazy Eddie Stores (R)
Goody Products (R)
Hertz (R)
Jerusalem Post (R)
Sheraton Hotels (R)

The Learning Channel
Barron's Report (R)
Charles Schwab (R)
Scientific-Atlanta Magazine (R)
Sports Illustrated (R)
Wall Street Journal (R)

Weather Channel
American Home Products (R)
American Motors Corp. (R)
Anco Wiper Blades (R)
Armour Dial (R)
Borden (R)
California Tree Fruit Agreement (R)
Champion Spark Plugs (R)
Clorox (R)
Hyatt Hotels (R)
J.C. Penney (R)
Kraft Foods (R)
Phillips Petroleum (R)
Procter & Gamble (R)
Prudential-Bache (R)
Ralston Purina (R)
Ramada Inns (N)
Sears Portrait (R)
Thomas J. Lipton (R)
3M (R)
United (R)
United Technologies (N)

R denotes renewal client
N denotes new client
*Listing is comprised of July advertisers.
Source: Advertising clients are provided by the programs services to Titsch Communications Inc.

Economics of basic cable networking, 1983-1985

Network	Launch Date	Estimated/ Projected Breakeven	Profit/Loss 1983	1984	1985	1983 Revenue Ad Revenue	Fee Income	Total Income	1984 Revenue Ad Revenue	Fee Income	Total Income	1985 Revenue Ad Revenue	Fee Income	Total Income
			(millions)			(millions)			(millions)			(millions)		
WTBS	12/76	Late 1981	$46.0	$65.0	$86.0	$134.0	–	$134.0	$158.0	–	$158.0	$180.0	–	$180.0
MTV	8/81	Early 1984	(5.0)	9.0	24.0	25.0	–	25.0	52.0	$10.0	62.0	83.0	$17.5	100.5
ESPN	9/79	Early 1986	(26.0)	(17.0)	(8.0)	42.0	$ 2.0	44.0	58.0	10.0	68.0	72.0	30.0	102.0
USA	9/80	Mid 1985	(12.0)	(5.0)	5.0	30.0	4.0	34.0	42.0	6.0	48.0	50.0	8.0	58.0
CNN (*)	6/80	Early 1985	(16.0)	(2.0)	10.0	40.0	30.0	70.0	52.0	40.0	92.0	64.0	50.0	114.0
NICK	4/79	Early 1984	(6.0)	1.0	5.0	.2	16.0	16.2	4.5	21.5	26.0	8.5	28.0	36.5
CBN	9/81	Late 1983	(4.0)	2.0	6.0	13.0	–	13.0	26.0	–	26.0	39.0	–	39.0
LIF (**)	2/84	Mid 1986	(15.0)	(15.0)	(6.0)	7.5	2.0	9.5	8.0	3.0	11.0	15.0	4.0	19.0
FNN	11/81	Mid 1985	(6.0)	-0-	4.0	4.0	–	4.0	11.0	–	11.0	14.0	–	14.0
SPN	1/79	Late 1982	1.5	3.5	6.0	1.5	4.0†	5.5	3.0	5.0†	8.0	5.0	6.0†	11.0
TWC	5/82	Mid 1985	(8.0)	(2.0)	1.0	2.5	3.5	6.0	5.0	5.0	10.0	8.0	6.0	14.0
TNN	3/83	Mid 1986	(16.0)	(9.0)	(2.0)	6.0	–	6.0	18.0	–	18.0	28.0	–	28.0
Totals			($66.5)	$30.5	$131.0	$305.7	$61.5	$367.2	$437.5	$100.5	$538.0	$566.5	$149.5	$716.0

* Includes CNN Headline, launched 1/82
** Formed 2/84 by merger of Daytime (launched 3/82) and Cable Health Network (6/82). 1983 results are composite for those svcs.
† Represents compensation from programming barter income rather than from cable operators.
Source: Estimates of Paul Kagan Associates Inc., Carmel, CA. © 1984 CABLE TV PROGRAMMING